

The Banking Code 2008

The key new provisions

A new commitment on responsible lending

Section 2 of the new Banking Code and Business Banking Code include key commitments requiring banks to treat customers fairly. One of these key commitments is to lend responsibly. Further information is included in the Banking Code Guidance.

A new commitment on current account switching

Section 2 of the new Banking Code and Business Banking Code includes key commitments requiring banks to treat customers fairly. One of these key commitments is to help customers switch their current account to another bank. Further information is included in Section 7 of each Code.

More help for customers who may be heading towards financial difficulties

Section 14 of the Guidance to the Banking Code requires banks to proactively contact customers whom the bank feels (from the information available to it) may be heading towards financial difficulty. Customers will be encouraged to talk to their bank and given information on sources of free independent money advice.

Strengthened credit assessment practices to enhance responsible lending

Section 13 of the Guidance to the Banking Code requires banks to consider credit reference agency data in assessing all applications for credit. Banks must also consider at least one of: (i) income and financial commitments; (ii) the customer's previous financial behaviour; and (iii) internal credit scoring techniques.

Clearer information about products, including pre-sale summary boxes for unsecured loans and savings accounts

From 1st October 2008, Section 3 of the Banking Code will require banks to provide customers with important information about unsecured loans and savings accounts in a standard summary box before customers purchase a product.

Prohibition of account closure as a result of a customer making a valid complaint

Section 7 of the Banking Code and Business Banking Code prohibits banks from closing a current account or savings account simply because the customer has made a complaint. Further information is included in the Banking Code Guidance.

Information on how to find your lost account (dormant account)

Section 9 of the Banking Code and Business Banking Code gives information on how customers can trace lost accounts. This includes details on the forthcoming unclaimed assets scheme. Further information is included in the Banking Code Guidance.

Greater clarity of cheque clearance times

Section 9 of the Banking Code and Business Banking Code requires banks to give customers details of the revised cheque clearing process, including when money starts to earn interest, is available for withdrawal, and when customers can be certain that the money is theirs. Further information is included in the Banking Code Guidance.

Clearer information about credit cards and credit card cheques

Section 10 of the Banking Code and Business Banking Code requires banks to give information to customers on how to decline a credit limit increase and on the important features of credit card cheques. Further information is included in the Banking Code Guidance.

Upgrading current accounts

Section 7 of the Banking Code and Business Banking Codes prohibit banks from upgrading a customer from a free account to a fee-paying account without their permission. Further information is included in the Banking Code Guidance.

Moving or closing branches

Section 7 of the Banking Code and Business Banking Codes require banks to give customers at least 12 weeks notice of any intention to close or move a branch. Further information is included in the Banking Code Guidance.

Alternatives to Chip and PIN

Section 10 of the Banking Code and Business Banking Codes require banks to give customers information about alternatives to Chip and PIN if the customer is unable to use a PIN due to a disability or medical condition. Further information is included in the Banking Code Guidance.

Protecting your account

Section 12 of the Banking Code and Business Banking Codes give customers the most up to date information on how to protect their accounts from fraud. Further information is included in the Banking Code Guidance.